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C O N F I D E N T I A L SECTION 01 OF 03 JAKARTA 000328

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TAGS: [PGOV](#) [KDEM](#) [KISL](#) [ID](#)

SUBJECT: PPP TURNS TO CABINET FOR NEW PARTY CHAIR

REF: A. JAKARTA 72 (CHAIRMAN RECALLED BY HIS PARTY)

[1](#)B. 04 JAKARTA 12661 (KALLA EMERGES AS POWERFUL FORCE)

[1](#)C. 04 JAKARTA 10341 (SBY'S CABINET)

[1](#)D. 03 JAKARTA 5761 (HAZ RETAINS PPP CHAIRMANSHIP)

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Classified By: Political Officer Eric W. Kneedler, reason: 1.4 (b) and (d).

SUMMARY

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[1](#)1. (C) On February 3rd, the United Development Party (PPP) elected Suryadharma Ali as Party Chairman for the 2007-2012 term. Suryadharma, the Minister for Cooperatives and Small and Medium Enterprises, escaped the first round of voting with a narrow victory after receiving 365 of the 1181 overall votes cast; his closest challenger, Arief Mudatsir Mandan, obtained 325 votes. Suryadharma will replace ex-Vice President Hamzah Haz as the Chairman of one of Indonesia's largest Islamist parties at a time when PPP faces increasingly robust competition from the ascendant Prosperous Justice Party (PKS) and a handful of other, comparably sized Islamist parties. Suryadharma's election represented a victory for the younger, more progressive generation of PPP, and he has pledged to revitalize the party by placing a greater emphasis on the welfare of Indonesia's disadvantaged. Suryadharma has also vowed to keep his job in President Yudhoyono's cabinet and maintain PPP's status as a member of the coalition government, a move that most likely will have the additional benefit of keeping his head off the chopping block in the coming cabinet reshuffle. As always, money politics played a role in determining the outcome of the Party Congress, and one of our contacts suggested Suryadharma had to pay a total of two million dollars US to secure his victory. End Summary.

HOW SURYADHARMA W\$N

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[1](#)2. (U) Suryadharma's path to victory crystallized two days before PPP's January 30 - February 3 Party Congress convened, when an alliance of five Hamzah Haz loyalists that had joined forces to block Suryadharma's candidacy suddenly dissolved. The group, which included Arief Mudatsir Mandan, Endin AJ Soefihara, Yunus Yosfiah, Alimarwan Hanan, and Dimyati Natakusuma, failed to coalesce behind an alternative candidate, immediately transforming the Chairmanship vote into a free for all. The split effectively divided the

Hamzah Haz old guard vote and paved the way for Suryadharma's victory. Ultimately Suryadharma won the February 3 vote by securing 365 of the 1181 overall votes, or 30 percent, while members of the failed Hamzah Haz alliance collectively received all but 33 of the additional votes cast: Arief Mudatsir Mandan - 325 votes, Dimiyati Natakusuma - 219, Endin AJ Soefihara - 185, Yunus Yosfiah - 41, and Alimarwan Hanan - 113.

13. (C) According to several of our contacts, Suryadharma's victory owed nearly as much to the skill with which he and his supporters played the vote buying game as it did to his political acumen. In a country where heavy financing can help trump skill and experience in determining the outcome of a party Chairmanship race, as Akbar Tandjung discovered during the 2004 Golkar Congress described in Ref B, deep pockets are a prerequisite for competitive candidates. We have heard various rumors about how Suryadharma financed the race, but there is a consensus that money played a key role in his victory. Yenny Wahid, Deputy Secretary General of the rival PKB party, and as reliable authority on the subject as anyone we know, told us that Suryadharma spent a total of two million US dollars to buy the votes that he needed to secure victory.

PPP OPTS FOR A YOUNGER, FRESHER FACE  
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14. (C) During the course of his campaign for Chairman, Suryadharma emphasized that he would work to reverse PPP's decline in support by increasing the party's allure to younger voters. He suggested that at a relatively young 50 years of age, he would be able to build the party up by recruiting support from younger generations. He trumpeted an agenda that emphasized working to help Indonesia's economically disadvantaged, and he vowed to improve the quality of PPP cadres by improving education. His supporters

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portrayed him as a progressive, youthful figure with the credibility to help transform PPP into a more modern and competitive party. If nothing else, his election represented a clear break with the past and signaled the party's commitment to broadening its appeal.

15. (C) Suryadharma's choice of Irgan Chairul Mahfiz as PPP's Secretary General was perhaps an even more telling indication

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of the changing of the guard in the party. Irgan Chairul Mahfiz most recently served as the General Chairman of PPP's youth wing, and is perhaps best known for organizing a 2005 meeting of disaffected PPP members eager to overhaul the party culture and avoid the types of defections that led to the creation of the Reform Star Party (Ref A). Irgan's 2005 meeting in Semarang was attended by some 80 percent of PPP's regional leaders, despite the fact that PPP's national board officially prohibited the gathering. Virtually all of the members of the new PPP board attended Irgan's 2005 meeting and in retrospect, it now seems obvious that this initiative laid the foundation for this weekend's PPP pseudo-revolution.

16. (U) As described in Ref C, Dr. Suryadharma was born in Malang, East Java on September 19, 1956. He graduated from the Islamic Institute Syarif Hidayatullah in 1984. Between 1985-1999, Suryadharma worked for PT Hero Supermarket, a large grocery store chain, finishing his employment as deputy director of that company. Upon his election to Parliament in 2001, he served as the head of Commission V (Industry and Trade). In 2004, Suryadharma became Treasurer of the PPP Faction of the MPR before President Yudhoyono tapped him to serve as his Minister for Cooperatives and Small and Medium Enterprises.

CABINET MEMBER AND PARTY CHAIRMAN

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¶7. (C) Suryadharma's elevation to PPP Party Chairman also virtually ensured that PPP will remain a member of President Yudhoyono's government, and that Suryadharma will not be "reshuffled" as part of any upcoming cabinet changes. Several of our contacts had previously suggested that he might be one of the casualties of an eventual reshuffle, but his election as Party Chair would appear to inoculate him against this eventuality. In one of his first public statements after winning the election, Suryadharma vowed to maintain PPP's place in the SBY administration and argued that the party could more effectively work to address its core concerns by supporting the government than by assailing it.

¶8. (C) In the days leading up to the PPP Congress, Suryadharma came under heavy fire for asserting that he would not relinquish his cabinet duties if he were elected Chairman of the party. In one interview with the media, Suryadharma dismissed concerns about his ability to adequately attend to his obligations as both a Chairman of the party and a cabinet Minister by stating that he was "ready to work 24 hours a day," and stressing the importance of time management. He suggested that too many people "play games at work," and he noted that Vice President Kalla somehow found the time to simultaneously manage his duties as Vice President of the country and Chairman of Indonesia's largest political party (Note: We would point out that a significant number of Golkar cadres would dispute the notion that Kalla is managing the party effectively. End Note).

#### THE FUTURE OF PPP -----

¶9. (C) In many respects, Suryadharma's victory served as a repudiation of Hamzah's Haz's tenure as PPP party Chairmen. Under his leadership, PPP transformed from the default home of a significant chunk of Indonesia's Islamic electorate, to a shrinking, weakening, increasingly marginalized party without either the momentum that PKS currently enjoys, or the historical linkages with Nahdlatul Ulama (NU) or Muhammadiyah that have anchored the National Awakening Party (PKB) and the National Mandate Party (PAN), respectively. A comparison of the 1999 and 2004 legislative election results reveals a significant jump in support for PKS at the expense of its rival Islamist parties, but for none more so than for PPP, which saw its share of the vote drop faster than either PKB or PAN.

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#### 1999:

PK	1.36% (PK later turned into PKS)
PAN	7.12%
PPP	10.72%
PKB	12.62%

#### 2004:

PKS	7.34%
PAN	6.41%
PPP	8.15%
PKB	10.57%

¶10. (C) A January 2007 poll by the reputable Indonesian Survey Institute (LSI) gave an even stronger indication of just how serious PPP's problems may be. According to the results of LSI's survey, a paltry 2.9 percent of respondents selected PPP as their party of preference, a stunningly bad performance that was part of a wider, general decline in support for Islamist parties.

¶11. (C) Andi Ghalib, a PPP legislator and former Attorney General, told us that he actively supported Suryadharma's candidacy, but could not help but question whether anyone would be able to reverse the party's decline. He pointed to

the growth in support for PKS as by far the most damaging development for PPP, and conceded the party would struggle to stay relevant in the face of increasingly robust competition.

COMMENT

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¶12. (C) Suryadharma Ali faces the daunting challenge of trying to resuscitate a political party that many think is already in its death throes. While this assessment may overstate the case, Suryadharma inherits a party that was clearly neglected by Hamzah Haz and has already been overtaken by its more energetic, better organized Islamist rivals. Our contacts tell us that in the short term Suryadharma will focus his efforts on recruiting the disgruntled voters that have fled PBR and PKB in the wake of their own recent internal battles. This strategy strikes us as a very pragmatic approach with the potential to allow PPP to avoid a disastrous performance in 2009. Suryadharma will probably struggle to reverse PPP's freefall in the two years that he has before the 2009 legislative elections, but by all accounts, he represents PPP's best bet to keep the party relevant in the long term.

PASCOE